



**MAYOR DICK MURPHY  
Science and Technology Commission  
MEETING MINUTES**

The San Diego Science and Technology Commission (SDS&TC) held a regularly scheduled meeting on, October 22, 2003, hosted by SAIC location at 10260 Campus Point Drive, Building C, Conference Room C5100, San Diego, CA 92122.

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I. **CALL TO ORDER/ROLL CALL:** Dr. Martha Dennis, SDS&TC Chair, called the meeting to order at 3:10 p.m. Members present: Craig Andrews, Jon Cohen, Dr. Martha Dennis, Dr. Tom Dillon, Charles Holland, Susan Myrland, Dr. Gail Naughton, Tyler Orion, Kasey Phimmason, Craig Roberts, and Julie Meier Wright. Members absent: Dr. Hui Cai, Scott Corlett, Vicki Marion, Richard Polanco Jr., Deputy Commander Scott Randall, Carrie Stone, and Maurice Wilson. Others Present: Lauree Sahba of Economic Development Corporation. Mr. Gregory Stein, President and CEO of San Diego DEFCOMM. Community & Economic Development Department staff members Hank Cunningham, Director, Toni Dillon, Tina Hines, Ana Maria Jaramillo, and Jeff Kavar; City Managers Office, Rey Arellano, Deputy City Manager; Rudy Fernandez, Mayor's Office.

II. **PUBLIC COMMENT:** Mr. Gregory Stein, President and CEO of San Diego Defcomm introduced himself to the Commissioners. He commented that Defcomm, incorporated in 1997, has created alliances between business, academia, and government to compete for large Department of Defense programs as well as state and federal technology research grants.

Mr. Rudy Fernandez, Director of Economic Development and Bi-national affairs with the Mayor's Office affirmed relationship between Tijuana and the San Diego region. He commented that San Diego and Tijuana are sister cities in size with Tijuana being the 6<sup>th</sup> largest city in Mexico and San Diego is the 7<sup>th</sup> largest city in the United States. Tijuana's growth within the past 15 years has been fueled by NAFTA and the maquiladora program. Since NAFTA's implementation there has been an increase in the amount of trade revenue generated and in the number of maquiladora plants located in Mexico. In the year 2000, the U.S. exported \$111 billion to Mexico and Mexico exported \$131 billion to the United States. In the year 2002, 3000 maquiladoras were located in Mexico and 1000 in Baja California. In conclusion, Mr. Fernandez approximated that 200 million trucks cross the San Ysidro and Otay Mesa points of entry annually, thus the need of an additional point of entry will be explored.

**IV. COMMUNITY AND ECONOMIC DEVELOPMENT UPDATE**

A. Staff Report-NAISC Job Trends: As requested, Toni Dillon presented data detailing employment trends in the life science and technology clusters. In the following clusters, the percentage of those employed by firms located within the city San Diego as-compared-to the greater San Diego region are: Biomedical Products 50%, Biotechnology & Pharmaceutical 88%, Communications 83%, Computer & Electronic Manufacturing 79% , Defense & Transportation Manufacturing 79%, Environmental Technology 49%, Software & Computer Manufacturing 78%. The information Dillon presented was based on SANDAG's 1998 data which was developed from the Standard Industrial Classification (SIC) associated with these firms. As a result of NAFTA, these SIC codes need to be converted to the North American Industrial Classification Standards (NAICS). Dillon provided handout with conversions for the life science and technology clusters.

Ms. Julie Meyer Wright offered to introduce Dillon to Marney Cox the leading economist for SANDAG to explore the updating of this cluster information. Ms. Tyler Orion indicated that her staff would be interested in assisting in this analysis.

- B. Brief Update – State of Industrial Lands: Russ Gibbon reported that along with rise of housing prices in San Diego the price of industrial land has risen astronomically. For example, six years ago land in the Eastgate Technology Park cost about \$10 per square foot as compared to a price of \$60 per square foot today. He stated that the exorbitant rise in the price of industrial land has an impact on the ability of companies to do business in San Diego.

Gibbon's most recent inventory of industrial lands (exclusive of the Otay Mesa area) identified 388 acres of graded industrial land, of which 70 acres are for sale and 318 acres are planned for development by end users or developers. Gibbon estimated that half of the 318 acres will be developed for industrial uses and the remaining acres for service sector offices. Much of acres assumed to be developed for industrial users will be for the attraction, growth and expansion of high technology businesses.

The current environmental regulations limit the developable land in Otay Mesa area; as such, Gibbon's estimates that approximately 100,000 acres priced at around \$7 per square foot are available for development in Otay Mesa. He continued that despite many efforts to do so, the City has not been able to attract high technology industry to the Otay Mesa area. He stated that a number of the parcels in the Otay Mesa area are occupied by low technology manufacturing and warehouse distribution operations.

Gibbon concluded by addressing the co-location of residential and industrial uses. He stated that developers are lobbying to build residential and commercial office projects within industrial areas. As a result, Community and Economic Development and the Planning Department are examining land use compatibility issues and zoning regulations to preserve industrial land. The Commission invited Gibbon to the next meeting to speak to the the co-location criterion for residential development in industrial areas.

V. SUBCOMMITTEE UPDATES:

- A. Digital Inclusion Working Group: Commissioners Maurice Wilson and Craig Roberts have taken leadership of this subcommittee. The DWIG members are creating a report that will detail its progress to be presented to Council offices.
- B. Planning Economic Prosperity (P.E.P.): Dr. Naughton reported that this subcommittee met during October and has initiated discussions with Doug Henton from Collaborative Economics to facilitate the technology forum and prepare a summary report of the event. The collaborating partners for this event are the San Diego Regional Economic Development Corporation, (EDC), San Diego State University's (SDSU) College of Business Administration, and the City of San Diego's Community and Economic Development Department. The subcommittee has proposed the event be held at SDSU in late January or early February with the Mayor and full Council as participants. This event will be similar to the successful Partnership for the New Economy that was an EDC event.

VI. UPCOMING MEETINGS: The next regular meeting will be December 3, 2003 from 3 PM to 5PM.

VII. ADJOURN: There being no further business of the Commission; this meeting was adjourned at 4:50 PM.

